

FIRST REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]  
SENATE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 58**  
**97TH GENERAL ASSEMBLY**

0620S.03T

2013

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**AN ACT**

To repeal section 379.1510, RSMo, and to enact in lieu thereof one new section relating to portable electronics insurance, with an emergency clause.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 379.1510, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 379.1510, to read as follows:

379.1510. 1. A vendor shall have the obligation to ensure that every location that is authorized to sell, solicit, or negotiate portable electronics insurance to customers shall have specific brochures [and actual policies or certificates of coverage] available to prospective customers which:

(1) Disclose that portable electronics insurance may provide a duplication of coverage already provided by a customer's homeowner's, renter's, or other source of coverage[, and that the portable electronics insurance coverage is primary over any other collateral coverage];

(2) State that the enrollment by the customer in a portable electronics insurance program is not required in order to purchase or lease portable electronics or services;

(3) Summarize the material terms of the insurance coverage, including:

(a) The identity of the insurer;

(b) The identity of the supervising business entity;

(c) The amount of any applicable deductible and how it is to be paid;

(d) Benefits of the coverage; and

(e) Key terms and conditions of coverage, such as whether portable electronics may be repaired or replaced with similar make and model reconditioned or nonoriginal manufacturer parts or equipment;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 (4) Summarize the process for filing a claim, including any requirement to return  
19 portable electronics and the maximum fee applicable in the event the customer fails to comply  
20 with any equipment return requirements; and

21 (5) State that the customer may cancel enrollment for coverage under a portable  
22 electronics insurance policy at any time and receive a refund of any unearned premium on a pro  
23 rata basis.

24 2. Eligibility and underwriting standards for customers electing to enroll in coverage  
25 shall be established for each portable electronics insurance program. Each insurer shall maintain  
26 all eligibility and underwriting records for a period of five years. Portable electronics insurance  
27 issued under sections 379.1500 to 379.1550 shall be deemed primary coverage over any other  
28 collateral coverage **and any policy or certificate of coverage issued subsequent to January**  
29 **1, 2015, shall contain a disclosure to that effect. A policy or certificate of coverage shall be**  
30 **made available to prospective customers at the point of sale or delivered to an enrolled**  
31 **customer within sixty days from the date a customer enrolls for coverage.**

32 3. Insurers offering portable electronics insurance coverage through vendors shall  
33 appoint a supervising business entity to supervise the administration of the program. The  
34 supervising business entity shall be responsible for the development of a training program for  
35 employees and authorized representatives of a vendor, and shall include basic instruction about  
36 the portable electronics insurance offered to customers and the disclosures required under this  
37 section.

38 4. Insurers and applicable supervising business entities offering portable electronics  
39 insurance shall share all complaint, grievance, or inquiries regarding any conduct that is specific  
40 to a vendor and that may not comply with applicable state laws and regulations.

41 5. A supervising business entity shall maintain a registry of vendor locations which are  
42 authorized to sell or solicit portable electronics insurance coverage in this state. Upon request  
43 by the director and with ten days' notice to the supervising business entity, the registry shall be  
44 open to inspection and examination by the director during regular business hours of the  
45 supervising business entity.

46 6. Within thirty days of a supervising business entity terminating a vendor location's  
47 appointment to sell or solicit portable electronics insurance, the supervising business entity shall  
48 update the registry with the effective date of termination. If a supervising business entity has  
49 possession of information relating to any cause for discipline under section 375.141, the  
50 supervising business entity shall notify the director of such information in writing. The  
51 privileges and immunities applicable to insurers under section 375.022 shall apply to supervising  
52 business entities for any information reported under this subsection.

53 7. The supervising business entity shall not charge a fee for adding or removing a vendor  
54 location from the registry.

55           8. No employee or authorized representative of a vendor shall advertise, represent, or  
56 otherwise hold himself or herself out as an insurance producer, unless such employee or  
57 authorized representative is otherwise licensed as an insurance producer.

58           9. The training required in subsection 3 of this section shall be delivered to all employees  
59 and authorized representatives of the vendors who are directly engaged in the activity of selling  
60 portable electronics insurance in this state. The training may be provided in electronic form.  
61 However, if conducted in an electronic form, the supervising business entity shall implement a  
62 supplemental education program regarding the portable electronics insurance product that is  
63 conducted and overseen by licensed employees of the supervising business entity.

64           10. The charges for portable electronics insurance coverage may be billed and collected  
65 by the vendor. Any charge to the customer that is not included in the cost associated with the  
66 purchase or lease of portable electronics or related services shall be separately itemized on the  
67 customer's bill. If the portable electronics insurance is included in the purchase or lease of  
68 portable electronics or related services, the vendor shall clearly and conspicuously disclose to  
69 the customer that the portable electronics insurance coverage is included with the portable  
70 electronics or related services. Vendors billing and collecting such charges shall not be required  
71 to maintain such funds in a segregated account, provided that the insurer authorized the vendor  
72 to hold such funds in an alternative manner and remits such amounts to the supervising business  
73 entity within forty-five days of receipt. All funds received by a vendor from a customer for the  
74 sale of portable electronics insurance shall be considered funds held in trust by the vendor in a  
75 fiduciary capacity for the benefit of the insurer. Vendors shall maintain all records related to the  
76 purchase of portable electronics insurance for a period of three years from the date of purchase.

          Section B. Because of the need to provide efficient notice to customers regarding  
2 primary insurance coverage for portable electronics, the repeal and reenactment of section  
3 379.1510 of this act is deemed necessary for the immediate preservation of the public health,  
4 welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of  
5 the constitution, and the repeal and reenactment of section 379.1510 of this act shall be in full  
6 force and effect upon its passage and approval.

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